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Farm Broadcasters Letter



Letter No. 2251

February 27, 1986

WHEAT ACREAGE LIKELY DOWN

Wheat production in 1986 may total close to 1985's 2.4 billion bushels, according to the U.S. Department of Agriculture. Although fewer acres likely will be harvested this summer, producers will plant their more productive acres, offsetting the acreage cut. Estimated winter wheat seedings were reported at 54 million acres, 7 pct. less than for 1985 and the smallest area in 7 years. By 1986/87, lower U.S. prices may make American wheat more competitive in the world wheat market. However, the situation of record U.S. supplies may not be altered dramatically. (For more information, call Allen Schienbein at 202-786-1840.)

CATTLE INVENTORY DOWN

The Jan. 1 cattle inventory at 105½ million head, was the lowest since 1963, according to the U.S. Department of Agriculture. The percentage of heifers calving and entering the herd remained low. Beef cow numbers were the lowest since 1966, and with 7 pct. fewer beef replacement heifers than a year ago, cattle numbers are likely to decline through 1987. Sharply lower feed costs and an under-utilized but expanding forage base should lower production costs. The production base for beef has eroded to a point that beef supplies should decline through 1988, even though the proportion of the herd slaughtered remains large. (For more information, call John Nalivka at 202-786-1830.)

HOGS DOWN

Hog numbers are at their lowest level since 1966, according to the U.S. Department of Agriculture. The breeding herd is the lowest since 1961, but has not reduced pork supplies as much as might be expected. The number of pigs produced per 1,000 breeding animals is up sharply and pork imports have more than doubled in recent years. Higher hog prices and lower feed costs should allow the average farrow-to-finish producer to cover cash and replacement costs for the first time since 1982. (For more information, call Leland Southard at 202-786-1830.)

U.S. SOYBEANS TO USSR

For the week ending Feb. 6, private exporters reported to the U.S. Department of Agriculture export sales of 61,000 tons of soybeans for delivery to the USSR during the 1985/86 marketing year. Sales of soybeans to the USSR for this year now total just over 1 million tons. This is the largest volume of U.S. soybean exports to the USSR since 1978/79. USDA forecasts Oct.-Sept. 1985/86 soybean imports by the USSR from all sources at 1.7 million tons.

SPAIN STOCKPILES
U.S. CORN

Spanish purchases of U.S. corn during Oct. 1985-Jan. 1986 were nearly double the same period a year earlier as traders stockpiled grain in anticipation of the higher European Community import levy which will be implemented on March 1, according to the U.S. Department of Agriculture. Spain is now subject to the levy since it joined the EC. The levy will increase the price of corn Spain imports and likely will result in a sharp decline in corn imports from non-EC sources such as the U.S. Spain imports an average of 3.5 million metric tons per year, or about 8 pct. of all U.S. corn exports. In 1985/86, Spain is expected to import only 1.8 million tons, the lowest in nearly 15 years.

LESS CORN TO
BRAZIL

Brazil's reported decision to substitute 650,000 tons of Argentine corn for wheat not shipped under the bilateral agreement between the two countries will reduce the potential for U.S. corn sales to Brazil, according to the U.S. Department of Agriculture. The Argentine sale is nearly double its previous record corn exports to Brazil set in 1983/84. Eventual prospects for U.S. corn exports will depend on the impact of the current drought, the availability of U.S. credit and Brazil's domestic coarse grain price policies.

CANADA EXPORTS
FEED WHEAT

Canada's recent sale of 100,000 metric tons of feed wheat to Mexico provides additional evidence that U.S. corn and sorghum exports will face increased competition from large supplies of Canadian feed-quality wheat, according to the U.S. Department of Agriculture. Poor harvest conditions last fall resulted in about 13 pct. of Canada's estimated 23.9 million ton wheat crop being downgraded to feed quality. Normally, about 5 pct. of the crop is feed quality.

AG TRADE
51 PCT. BELOW
1984

The U.S. agricultural trade surplus fell to \$9.1 billion in 1985, 51 pct. below 1984 and the lowest since 1972, according to the U.S. Department of Agriculture. Exports dropped record amounts in value and volume, and imports continued to climb. The volume dropped 28 million tons to 118.7 million tons. The lower volume and declining world prices reduced value \$8.7 billion to \$29 billion. The import value rose \$640 million to \$20 billion.

MAJOR FARM
EXPORTERS

The United States, France, the Netherlands remained the top three agricultural exporters during 1979-84, according to the U.S. Department of Agriculture. Brazil moved from fifth to fourth place in 1984 due to sharply increased coffee export values. Argentina jumped from 11th to 9th place because of improved grain and soybean exports and replaced Italy among the 10 leading exporters.

NEWCOMERS
BUZZING IN

Africanized bees, noted for their aggressive stinging behavior, were predicted to enter Mexico by the end of 1985, according to the U.S. Department of Agriculture. By 1989, they are expected to cross the Rio Grande into the United States. These bees are an economic threat to the \$130 million U.S. honey producing industry because they tend to take over the hives of domesticated European strains. Africanized bees are less efficient honey producers and more difficult to manage. This also would affect U.S. farmers who depend on honeybees for pollinating an estimated \$18 billion worth of fruits, vegetables, and field crops.

FROM OUR
TELEVISION
SERVICE

LIVESTOCK AND POULTRY OUTLOOK... USDA economist Leland Southard focuses on the current outlook for livestock and poultry in light of the new farm bill and the deficit reduction act. Vic Powell interviews. (131)

U.S. EXPORTS OUTLOOK... The value and volume of U.S. exports has declined for the past five years, and indicators for 1986 point to another year of continued decline. USDA economist Stephen MacDonald examines reasons for the continued decline. Vic Powell interviews. (132)

1986 COTTON PROGRAM... USDA economist Sam Evans describes the major provisions provided for the 1986 cotton program, including target prices, loan rates and deficiency payments and what these provisions will mean for cotton producers. DeBoria Janifer interviews. (133)

DAIRY AND CATTLE INDUSTRY - AN OUTLOOK... Dave Lins, University of Illinois, takes a look at the current economic outlook facing many dairy and cattle producers. Gary Beaumont interviews. (134)

ARS RESEARCH REPORTS... Scientists with USDA's Agricultural Research Service are producing new varieties of grapefruit, and studying listening devices to detect insects inside of food. Will Pemble reports. (135)



FROM OUR RADIO
SERVICE

AGRICULTURE USA #1500... (Weekly 13½ min documentary) This week George Holmes talks to the Director of the National Arboretum in Washington, D.C., Marc Cathey, about houseplants. Everything you've ever wanted to know about their care, their longevity, when to take them outside in the summer and when to bring them inside in the fall.

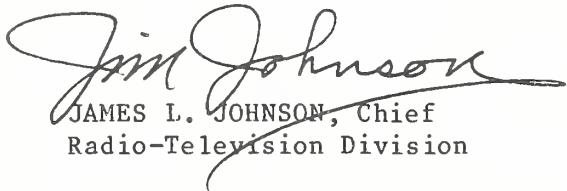
AGRITAPE/FARM PROGRAM REPORT #1489... (Weekly reel of news features) USDA news highlights; 1985 crop wheat loans; Continued financial stress in Illinois; The "killer bees" are coming; South may lose more jobs.

CONSUMER TIME #982... (Weekly reel of 2½-3 min features) A sewage treatment "plant"; Avoid food poisoning; Teens: Footloose with money; The "Mertz" diet; Stepparenting.

USDA RADIO NEWS SERVICE... Mon, Mar. 10, Crop production report; Tues, Mar. 11, Weekly crop and weather report; Fri, Mar. 14, Livestock slaughter; Milk production and Cattle on feed. Dial the USDA National News Line 202-488-8358 or 8359. All material changed at 5 p.m. EST each working day.

OFF MIKE

Most farm broadcasters drive to work, some fly their own planes here and there, and Terri-Rae Elmer (KFBK, Sacramento, CA) takes a boat to work...or at least she did during the floods in California. She reports she and the others at the all-news/talk station worked 70 hours straight, staying at the station, to keep listeners informed ... George Stephens (WDAF, Kansas City, MO) says his doctor has given him the go-ahead to lead a group on a three week trip to China and Japan in April. As many of you know, George had an operation for cancer in his jaw area and has been on chemotherapy since. Incidentally, George also reports this year's trip will only be a one-bus trip. Last year we reported he had filled one bus for the trip to Europe and rapidly filling another. Some curious (in more ways than one) readers of this column raised the question about how a bus could make it to Europe. We don't question how, we just report the facts (poorly stated, possibly, but without too many embellishments) ... Randy Rasmussen is now farm director at KBUR, Bismarck, ND. He was at WNAX, Yankton, SD with Ed Nelson. Matt Westergaard took Randy's place at WNAX ... John Zimmerman reports that Jim Mortwedd has left his staff at the Wisconsin Farm Broadcasting Net in Madison and is now the Director of Communications at the Wisconsin Vocational Technical Institute in Eau Claire, WI ... Visitor in town this week: Jeff Nalley (WBKR, Owensboro, AR). It was Jeff's first trip to the Nation's capitol, so he kept busy between taking care of business and playing tourist ... Bob Zank returned to work at the Ag News Network in Neillsville, WI, after being hospitalized following a car accident. He suffered a broken arm, head lacerations and a cracked pelvis ... Joe Tokheim is the new farm broadcaster at KIWA, Sheldon, IA. He replaces Frank Luepke who was made general manager of the station the first of the year.



JAMES L. JOHNSON, Chief
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